

Sec. 12-705(a)-4. Withholding or exemption certificate

(a)

(1) On or before the commencement of employment, an employee shall furnish a completed and signed Form CT-W4 (Employee Withholding or Exemption Certificate) to the employer identifying, by filing status, the personal exemption amount to which such employee is entitled. The employee may not claim a personal exemption amount that is greater than the amount to which such employee is entitled under the existing facts and circumstances, nor may the employee use in determining the proper Connecticut income tax to be withheld the tax shown on the Connecticut income tax return of such employee for the preceding taxable year or 90% of the tax expected to be shown on the Connecticut income tax return for the taxable year.

(2) The employer is required to obtain a Form CT-W4 from the employee. If the employee fails to furnish such form, the employee shall be subject to the highest effective rate of withholding.

(b)

(1) Except as otherwise provided in this section, in cases in which no previous Form CT-W4 is in effect, the employee's Form CT-W4 shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which the form is furnished to the employer by the employee. Except as otherwise provided in this section, such form shall remain in effect until another form takes effect.

(2) Except as otherwise provided in this section, in cases in which a previous Form CT-W4 is in effect, the employee's Form CT-W4 shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the thirtieth day after the day on which the form is furnished to the employer by the employee.

(3) Except as otherwise provided in this section, such form shall remain in effect until another form takes effect.

(c) If an employee, in completing a Form CT-W4, claims that wages paid are not subject to withholding, the employer shall forward a copy of such form for the quarter during which such claim is made to the Department, along with the employer's Form CT-941 for such quarter, if the employee is employed by that employer on the last day of the quarter and the employer reasonably expects that

(1) in the case of an employee filing a federal income tax return as a married individual filing separately, the employee's annual wages shall exceed \$36,000,

(2) in the case of an employee eligible to file, and filing, a federal income tax return as a head of household, the employee's annual wages shall exceed \$57,000,

(3) in the case of an employee filing a federal income tax return jointly with his or her spouse, the employee's annual wages shall exceed \$72,000, or

(4) in the case of an employee filing a federal income tax return as an unmarried individual, the employee's annual wages shall exceed three times the maximum exemption amount to which an unmarried individual is entitled under section 12-702 of the general statutes.

(d) If an employee claims exemption from the tax during any calendar year, the employer

shall obtain a new completed Form CT-W4 for the following year by February 15 of the following year or, until such time as the employee furnishes a new completed Form CT-W4, the employer shall withhold Connecticut income tax from the employee's wages at the highest effective rate.

(e) An employer is required, upon written request of the Department, to submit a copy of any Form CT-W4 in effect or make the original available for inspection, together with a copy of any written statement received from the employee in support of the information entered on the Form CT-W4. The Department's request may relate either to one or more named employees or to one or more reasonably segregable units of the employer.

(f)

(1) Except as otherwise provided in subsection (d) or (g) of this section, an employer shall withhold on the basis of the information entered on a Form CT-W4 until the employer receives written notice from the Department indicating that the form is defective and the reason that the form is defective, and instructing the employer how Connecticut income tax is to be withheld from the employee's wages.

(2) If the Department notifies the employer that a Form CT-W4 is defective, the Department shall provide the employer with a copy for the employee of such notice. If the employee is still in such employer's employ, the employer shall promptly furnish such copy to the employee and shall deduct and withhold Connecticut income tax from the employee's wages as instructed by the department.

(3) The employer shall continue to withhold as instructed by the Department unless and until the Director of the Audit Division by written notice revokes the earlier instructions and advises the employer that the employer may accept a new Form CT-W4 completed and signed by the employee. The department shall provide the employer with a copy for the employee of such notice. The employer shall promptly furnish such copy to the employee and shall request that the employee complete and sign a new Form CT-W4. After the employee completes and signs a new Form CT-W4, the employer shall withhold on the basis of the information entered on the form.

(g) Where the employee and the department have entered into an agreement providing for payment of the employee's unpaid taxes and the agreement requires that a certain amount of Connecticut income tax be deducted and withheld from the employee's wages, the department shall provide written notice to an employer, instructing the employer to deduct and withhold Connecticut income tax on the basis of the information entered on a Form CT-W4 that is provided by the department. The department shall provide the employer with a copy for the employee of such notice. The employer shall promptly furnish such copy to the employee. The employer shall deduct and withhold Connecticut income tax from the employee's wages as instructed by the department until the employer receives written notice from the department advising the employer that the employer may accept a new Form CT-W4 completed and signed by the employee. The department shall provide the employer with a copy for the employee of such notice. The employer shall promptly furnish such copy to the employee and shall request that the employee complete and sign a new Form CT-W4. After the employee completes and signs a new Form CT-W4, the employer shall withhold on the basis of the information entered on the form.

(h) While this section pertains to Section 12-705(a) of the general statutes, for purposes

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of supplementary interpretation, as the phrase is used in Section 12-2 of the general statutes, the adoption of this section is authorized by Section 12-740(a) of the general statutes.

(Effective November 18, 1994; Amended February 28, 2002)

Notes: Full section history for 2002 amendment reads as follows: “Amended February 28, 2002, applicable to taxable years beginning on or after January 1, 2002.” Abbreviated note in section history inserted 11/4/2014 as a result of automated publishing restrictions. (November 4, 2014)